

CABOT CORPORATION RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

All dollar amounts shown below are in millions, except per share information

	Fiscal 2017 ^(A)				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Adjusted EPS to GAAP EPS					
Net income (loss) per share attributable to Cabot Corporation	\$ 0.85	\$ 1.18	\$ 0.71	\$ 1.06	\$ 3.80
Less: Certain items after tax	0.01	0.31	(0.10)	0.15	0.37
Adjusted earnings per share	\$ 0.84	\$ 0.87	\$ 0.81	\$ 0.91	\$ 3.43

^(A) Per share amounts are calculated after tax and, where applicable, noncontrolling interest, net of tax.

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Segment EBIT to Net Income and Segment EBITDA Margin					
Net income (loss) attributable to Cabot Corporation	\$ 54	\$ 74	\$ 45	\$ 68	\$ 241
Net income (loss) attributable to noncontrolling interests	4	6	8	7	25
Equity in earnings of affiliated companies, net of tax	(2)	(1)	(3)	(1)	(7)
Provision (benefit) for income taxes	17	(1)	16	(3)	29
Income (loss) from continuing operations before income taxes and equity in earnings of affiliated companies	\$ 73	\$ 78	\$ 66	\$ 71	\$ 288
Interest expense	13	13	13	14	53
Certain items	-	-	2	1	3
Unallocated corporate costs	12	14	11	13	50
General unallocated (income) expense	(5)	1	4	8	8
Equity in earnings of affiliated companies	2	1	3	1	7
Total Segment EBIT	\$ 95	\$ 107	\$ 99	\$ 108	\$ 409
Plus: Total Depreciation & Amortization	38	38	39	40	155
Plus: Adjustments to Depreciation ^(B)	-	1	-	-	1
Total Segment EBITDA	\$ 133	\$ 146	\$ 138	\$ 148	\$ 565
Less: Unallocated Corporate Costs	(12)	(14)	(11)	(13)	(50)
Adjusted EBITDA	\$ 121	\$ 132	\$ 127	\$ 135	\$ 515

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reinforcement Materials EBIT	\$ 40	\$ 54	\$ 51	\$ 48	\$ 193
Plus: Depreciation & Amortization	17	17	17	18	69
Reinforcement Materials EBITDA	\$ 57	\$ 71	\$ 68	\$ 66	\$ 262
Reinforcement Materials Sales	\$ 295	\$ 352	\$ 367	\$ 367	\$ 1,381
Reinforcement Materials EBITDA Margin	19%	20%	19%	18%	19%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Performance Chemicals EBIT	\$ 49	\$ 51	\$ 46	\$ 55	\$ 201
Plus: Depreciation & Amortization	11	12	11	12	46
Performance Chemicals EBITDA	\$ 60	\$ 63	\$ 57	\$ 67	\$ 247
Performance Chemicals Sales	\$ 205	\$ 228	\$ 229	\$ 246	\$ 908
Performance Chemicals EBITDA Margin	29%	28%	25%	27%	27%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Purification Solutions EBIT	\$ 4	\$ 2	\$ (2)	\$ 2	\$ 6
Plus: Depreciation & Amortization	9	10	10	10	39
Purification Solutions EBITDA	\$ 13	\$ 12	\$ 8	\$ 12	\$ 45
Purification Solutions Sales	\$ 69	\$ 67	\$ 71	\$ 74	\$ 281
Purification Solutions EBITDA Margin	19%	18%	11%	16%	16%

	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Specialty Fluids EBIT	\$ 2	\$ -	\$ 4	\$ 3	\$ 9
Plus: Depreciation & Amortization	1	-	1	-	2
Specialty Fluids EBITDA	\$ 3	\$ -	\$ 5	\$ 3	\$ 11
Specialty Fluids Sales	\$ 11	\$ 7	\$ 12	\$ 11	\$ 41
Specialty Fluids EBITDA Margin	27%	0%	42%	27%	27%

	Fiscal 2017				
	Dec. Q	Mar. Q	Jun. Q	Sept. Q	FY 2017
Reconciliation of Discretionary Free Cash Flow					
Cash flow from operating activities ^(C)	102	(51)	132	157	340
Less: Changes in net working capital ^(D)	16	(134)	31	64	(23)
Less: Sustaining and compliance capital expenditures	21	18	30	50	119
Discretionary Free Cash Flow	\$ 65	\$ 65	\$ 71	\$ 43	\$ 244

^(B) Adjustments to depreciation includes the addition of the depreciation expense of a contractual joint venture in Purification Solutions less accelerated depreciation expense not allocated to a business.

^(C) As provided in the Consolidated Statement of Cash Flows.

^(D) Defined as changes in accounts receivable, inventory and accounts payable and accrued liabilities as presented on the Consolidated Statement of Cash Flows.